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# Personal Income in Australia methodology

Reference period 2011-12 to 2017-18

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Released 16/12/2020

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## Explanatory notes

### Source

The statistics in this release are compiled from the Linked Employer Employee Dataset (LEED), a cross-sectional database based on administrative data from the Australian taxation system.

The LEED includes more than 120 million tax records over seven consecutive years between 2011-12 and 2017-18.

The Australian Bureau of Statistics acknowledges the continuing support of the Australian Tax Office (ATO).

### Scope

All persons who interacted with the Australian taxation system for the 2011-12 to

2017-18 financial years and for whom personal income is identified.

This includes persons who have lodged Individual Tax Returns (ITR) within 16 months of the end of the financial year or who received Pay As You Go (PAYG) payment summaries from an employer in that year.

## **Geographic coverage**

Statistics are provided for over 2,000 regions, at the SA2, SA3, SA4, LGA and GCCSA levels. Aggregate statistics are available by state and territory and national estimates.

The geographic boundaries have been updated to align with the latest ASGS. The seven year time series of data are all produced on the same boundaries for ease of comparability across years.

All geographic variables are based on the individual's residential address as stipulated on the income tax return, or for non-lodgers, the address listed on the payment summary.

Further information, including access to [Australian Statistical Geography Standard \(ASGS\)](https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+(asgs))) ([https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+\(asgs\)\)](https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+(asgs))) boundaries, which underpin the data presented in this release, can be accessed from the [ABS Statistical Geography Portal](https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Geography?opendocument) (<https://www.abs.gov.au/websitedbs/D3310114.nsf/home/Geography?opendocument>) on the ABS website.

## **Dataset size**

Over 12 to 14 million persons each year.

The high number of records in the LEED (over 120 million over seven years) enables Personal Income in Australia to provide data at a national, state and regional level.

## **Collection method**

The statistics in this release are produced from the LEED, using ATO administrative data.

## **Changes in the series**

This release, Personal Income in Australia (previously known as Estimates of Personal Income for Small Areas), has been renamed to better align with the [Jobs in Australia](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0>) release, as both releases are now produced from the LEED.

Data from 2010-11 are not released in this issue, as it is not included on the LEED. These data are available in previous editions of Estimates of Personal Income for Small Areas.

Data for previous years have not been revised, except to update to the latest ASGS. The latest edition of ASGS contains updates to the Local Government Areas from 2017 to 2018. These changes result in some LGAs being renamed. No boundaries have changed.

Occupation has been omitted from this release, as it is available from [Jobs in Australia \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0) and [Microdata: Jobs in Australia \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0.00.001\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0.00.001) (to be updated in early 2021).

Other territories have been excluded from release in the download tables. The data for these persons are included in the Australia total.

Using the LEED has allowed data for some areas to be released which were not available in previous editions of this release. These data are currently only available for 2017-18.

Substantial quality improvements of industry information for OMUEs have been made to the 2017-18 data in relation to previous years. Any comparison of OMUEs across time by industry should be conducted with caution.

For details, see Explanatory Note on Employed persons and their status in employment in [Jobs in Australia methodology, 2011-12 to 2017-18 \(https://www.abs.gov.au/methodologies/jobs-australia-methodology/2011-12-2016-17\)](https://www.abs.gov.au/methodologies/jobs-australia-methodology/2011-12-2016-17).

## **Notes on selected variables**

### **Personal income**

All monetary values are presented as gross pre-tax dollars, as far as possible. This means they reflect income before deductions and losses, and before any taxation or levies (e.g. the Medicare levy or the temporary budget repair levy) are applied. The amounts shown are nominal, they have not been adjusted for inflation.

The income presented in this release has been categorised into income types, these categories have been devised by the ABS to closely align to ABS definitions of income.

Personal income is provided for the following five categories:

- Employee income
- Own unincorporated business income
- Investment income
- Superannuation income
- Total income

### **Employee income**

Employee income is the total (or gross) income received as a return to labour from an employer or from a person's own incorporated business (when they are employed by this business). The data used in deriving employee income comes from both ITRs and payment summaries (where an individual has not lodged an ITR).

Employee income includes the following data items from the payment summary and /or the ITR:

- Salary or wages
- Allowances, earnings, tips, director's fees
- Employer lump sum payment amount A
- Employer lump sum payment 5 per cent
- Employment termination payments taxable component
- Attributed personal services income
- Employee share schemes total assessable discount
- Total reportable fringe benefit amount
- Reportable employer superannuation contributions
- Exempt foreign employment income
- Other net foreign employment income

## **Own unincorporated business income**

Own unincorporated business income (or OMUE income) is the profit or loss that accrues to owners of, or partners in, their own unincorporated businesses. Profit or loss is the value of the gross output of the enterprise after the deduction of operating expenses, including reportable superannuation contributions, depreciation and operating costs, but before income tax is taken out. Losses occur when operating expenses are greater than receipts and are treated as negative income.

Own unincorporated business income includes the following data items on the ITR:

- Net income or loss from business primary production
- Net income or loss from business non primary production
- Distribution from trusts primary production
- Net Personal Services Income
- Distribution from partnerships less foreign income non primary production
- Distribution from partnerships primary production

These data exclude distributions from trusts for non-primary production activities as this may include aspects of investment income. It also excludes the income of working directors/owners of incorporated businesses who are classified as employees; consequently their income is included under Wage and salary income.

"Net personal services income" does not include income a person received as an employee, making it different from "Attributed personal services income".

Own unincorporated business income is conceptually consistent with OMUE income published in [Jobs in Australia \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0).

## **Investment income**

Investment income includes the following data items on the ITR:

- Gross interest
- Dividends unfranked amount
- Dividends franked amount
- Dividends franking credit
- Share of net income from trusts less net capital gains and foreign income non primary production
- Franked distributions from trusts - non-primary production
- Australian franking credits from a New Zealand company
- Net foreign rent
- Net rent

## **Superannuation income**

Superannuation income includes the following data items on the ITR:

- Australian annuities and superannuation income streams taxable component taxed element
- Australian annuities and superannuation income streams taxable component untaxed element
- Australian annuities and superannuation income streams lump sum in arrears taxable component taxed element
- Australian annuities and superannuation income streams lump sum in arrears taxable component untaxed element
- Australian superannuation lump sum payments taxed element
- Australian superannuation lump sum payments untaxed element
- Bonuses from life insurance companies and friendly societies

A change to legislation relating to superannuation, taking effect from 1 July 2007, meant that people aged 60 years and over who receive superannuation income in the form of a lump sum or income stream (such as a pension) from a taxed source, receive that income tax free. Therefore, if a person has no other income, or their total income is below the tax-free threshold, or any tax payable is mitigated by a tax offset (such as Senior Australian Tax

Offset), then this person is not required to lodge a tax return.

Due to such changes, the superannuation statistics (persons, income) included in this release are regarded as partial, subject to under-coverage. A more comprehensive snapshot of superannuation income (at aggregate state/territory level) can be obtained from the ABS Survey of Income and Housing - see [Household Income and Wealth, Australia](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0>).

## **Other income**

Other income comprises income items reported on the individual income tax return that were not allocated to one of the above categories. For example, Other income can include transfer or trust income, controlled foreign company income, net foreign pension and annuity income, and foreign investment and life insurance income.

Other income is not published separately as it does not provide a reliable view of the category. It is included in total income.

Other income includes the following data items on the ITR:

- Foreign source income net foreign pension or annuity (without Undeducted Purchase Price)
- Foreign source income net foreign pension or annuity (with Undeducted Purchase Price)
- Foreign entities controlled foreign company income
- Foreign entities Transferor trust income
- Foreign source income other net foreign source income
- Other income category 1
- Other income category 2

## **Total income**

Total Income is the sum of all reported income derived from Employee income, Own unincorporated business, Superannuation, Investments and Other income, as defined above. Total income does not include the non-lodger population.

Government pensions, benefits or allowances are excluded from the ABS income data and do not appear in Other income or Total income. Pension recipients can fall below the income threshold that necessitates them lodging a tax return, or they may only receive tax free pensions or allowances. Hence they will be missing from the personal income tax data set. Recent estimates from the ABS Survey of Income and Housing (which records Government pensions and allowances) suggest that this component can account for between 9% to 11% of Total income.

## Geography

All geographic variables are based on a person's home address as reported on their ITR form. Addresses are coded to the [Australian Statistical Geography Standard \(https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+\(asgs\)\)](https://www.abs.gov.au/websitedbs/d3310114.nsf/home/australian+statistical+geography+standard+(asgs))).

If a geography variable is missing on the ITR, if possible it is imputed from the individual's most recent PAYG payment summary.

Details of income earners from regions unknown (not stated or indeterminate) or who are lodging returns from overseas are included in the totals shown. Persons living in Other territories are not published separately, but included in the totals. Therefore, the totals in each table may not necessarily be the sum of their components.

The sum of sub state geographies (GCCSA, SA4, SA3, SA2 and LGA) may not equal the state statistics due to some records having inadequate address information to be geocoded. Where a record was unable to be geocoded to an SA2, it has not been included in totals for SA2 through to GCCSA. However, where possible, these records have been included in the State and Territory and Australia totals.

Confidentiality rules have been applied to the statistics to ensure there is no likely risk of individuals in the aggregate statistics presented in this publication. Therefore, the sum of sub-state statistics may also not equal state statistics due to some regions being suppressed through the confidentialising process.

## Notes on selected statistics

### Gini coefficient

Taken together, the simple measures of income distribution such as mean, median, percentile ratios and income shares can provide an indication of differences in the income distributions of two separate regions. However, none of the simple measures comprise a single statistic that summarises the whole income distribution in a way that directly considers the individual incomes of all regions. In this publication, the Gini coefficient is used to compile a single statistic of inequality by summarising the distribution of income across the population in each region.

The Gini coefficient is provided here for Total income. This is a single statistic that lies between 0 and 1 and is a summary indicator of the degree of inequality in income between members of the tax form lodging population. Values closer to 1 represent greater inequality.

The Gini coefficients shown in this release can be regarded as indicative but not definitive. They should not be directly compared with other ABS published Gini coefficients. The Gini coefficients presented in this release are calculated from gross personal income and not from equivalised disposable income as presented in [Household Income and Wealth, Australia \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6523.0). There is also an acknowledged under-coverage of certain income groups in taxation data due to tax exemptions, and people being under the tax free threshold. For instance, persons aged 60 years and over who are mostly dependent on superannuation income and those mostly reliant on government pensions and allowances may be missing from the tax data.

## **Main source of income**

The income source from which a person derives most of their (positive) income. For a stated income type, this measure reflects the proportion of all persons in a region for whom the income type is their main source of income.

If a region is particularly reliant on one source, it may be susceptible to policy or economic changes that affect that income type.

As there are several types of income, the main source may account for less than 50% of total income. Where persons receive exactly the same amount across multiple income types, they have been excluded from the derivation of this indicator. Persons with negative or nil total income have also been excluded.

## **Counts of individuals**

Individuals may receive income from a number of sources. Also, net income from a specific source may be positive or negative. For example, an individual may have positive income from Employee income yet negative net income from Investments. The number of individuals for each income source includes all persons with either positive or negative net income from that source.

Readers should note that the total number of individuals in receipt of income from at least one source cannot be calculated as the sum of the individuals in each income category, since people can have more than one source of income in any given year. For example, an individual could derive income from multiple sources such as Employee income, Investment income and income from their own unincorporated business and thus contribute to the regional person count in all three income categories.

## **Concepts sources and methods**



## **Non-lodgers**

Are individuals who do not lodge a tax return. However, this population may have income that is in scope of this release. This can include persons who receive an income below certain levels or derive their income from some Commonwealth of Australia Government pension, benefit and allowance payments that are exempt from income tax. Their absence should be taken into consideration when interpreting these statistics.

Because the LEED contains information about jobs sourced from PAYG payment summaries, it is possible to impute income information for non-lodgers who are employees.

Non-lodgers are included in the Employee income category, except where cross-classified with age and sex. Previously, age and sex were unavailable for non-lodgers. Whilst this information is now available for non-lodgers from the LEED, they remain excluded from the following table to ensure consistency with previous results.

Table 4 Employee income by age and sex 2011-12 to 2017-18.

Non-lodgers are excluded from the Total income category in all instances.

## **Changes in taxation policy**

Users of these data should note that there may be taxation policy changes that will influence the lodging of tax returns, as well as the amounts declared. One change that impacted the data was the increase of the tax-free threshold of \$6,000 to \$18,200 for the 2012-13 financial year, this appeared to result in less people needing to lodge a tax return. The ABS encourages users of the data to research policy changes that may impact in the comparability of the data year to year. For more information on taxation policy change, the ATO publishes changes in their Taxation Statistics publications.

## **Comparison with ABS income data from the Survey of Income and Housing**

Statistics in the Personal Income in Australia release are produced using administrative data sourced from the Australian Taxation Office. The ABS also produces household income and wealth estimates collected directly from households via the Survey of Income and Housing (SIH).

The SIH collects information on sources of income, amounts received and the characteristics of persons aged 15 years and over in private dwellings throughout Australia. Since 2003-04, the SIH has been conducted every two years, with the most recent relevant snapshots being

the 2011-12, 2013-14, 2015-16 and 2017-18 income years. Additional SIH estimates of annual income have been produced for the survey gap years up until 2014-15 using previous financial year information collected in each survey. For further information about the concepts, definitions, methodology and estimation procedures used in the SIH, please refer to [Survey of Income and Housing, User Guide \(https://www.abs.gov.au/ausstats/abs@.nsf/mf/6553.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6553.0).

SIH employee income includes all payments received by individuals as a result of their current or former involvement in paid employment. In addition to the regular and recurring cash receipts captured by SIH, employee income also includes non-cash benefits, bonuses, termination payments and payments for irregular overtime. Details of the composition of employee income derived from ATO sources are provided in 'income variables' below.

Table 1 below presents a selection of reasonably comparable income data items, sourced from ATO and the SIH, for 2011-12, 2013-14, 2015-16 and 2017-18.

**Table 1 - Selected sources of income, PlIA and SIH data, 2011-12, 2013-14, 2015-16 and 2017-18**

	PlIA 2011-12 \$b	SIH 2011-12 \$b	PlIA 2013-14 \$b	SIH 2013-14 \$b	PlIA 2015-16 \$b	SIH 2015-16 \$b	PlIA 2017-18 \$b	20
<b>Employee income</b>	573.3	615.4	648.8	679.4	724.9	729.0	787.3	
<b>Own unincorporated business income</b>	42.4	46.4	45.3	47.7	50.6	43.8	53.9	
<b>Investment income</b>	70.0	42.3	79.5	73.2	81.6	56.4	88.9	
<b>Superannuation income</b>	9.8	25.6	10.7	31.4	11.7	41.2	11.8	

Differences in collection methodologies, data collection/extraction periods, definitions, scope/coverage etc., can all contribute to variations between PlIA and SIH income data. Also, as mentioned before, SIH presents data for low income households whereas the PlIA series may be missing some individuals with low incomes (for example those earning under the \$18,200 tax free threshold) because they may not need to lodge tax returns. Please see the quality declaration in the release for more information about coherence.

Since changes were applied to the reporting of superannuation income in 2007, the SIH estimate is thought to provide a more accurate, complete indication of the level of income

derived from Superannuation. However, the SIH estimates only include superannuation pension streams and not superannuation lump sum payments.

## **Confidentiality**

All personal income tax statistics included in LEED were provided in de-identified form with no home address or date of birth. Addresses were coded to the ASGS and date of birth was converted to an age at 30 June of the reference year prior to data provision.

To minimise the risk of identifying individuals in aggregate statistics, perturbation has been applied to the statistics in this release. Perturbation involves small random adjustment of the statistics and is considered the most satisfactory technique for avoiding the release of identifiable statistics, while maximising the range of information that can be released. These adjustments have a negligible impact on the underlying pattern of the statistics. Some cells have also been suppressed due to low counts.

## **Further information**

For further information about these and other statistics, please contact the National Information and Referral Service on 1300 135 070.

## **The Linked Employer-Employee Dataset (LEED)**

The statistics in this release are compiled from the Linked Employer Employee Dataset (LEED), a cross-sectional database based on administrative data from the Australian taxation system.

The LEED includes more than 120 million tax records over seven consecutive years between 2011-12 and 2017-18.

The Australian Bureau of Statistics acknowledges the continuing support of the Australian Tax Office (ATO).

## **Construction of the LEED**

The LEED includes tax data supplied by the ATO to the ABS under the Taxation Administration Act 1953, which requires that such data is only used for the purpose of administering the Census and Statistics Act 1905. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ATO's core operational requirements.

The tax forms and instructions that are used to collect the underlying tax data used in this release can be found on the [ATO website \(https://www.ato.gov.au/\)](https://www.ato.gov.au/). Information about

business registration can be found on the [ABR website \(https://abr.gov.au/\)](https://abr.gov.au/).

The LEED includes ABR data supplied by the Registrar to the ABS under A New Tax System (Australian Business Number) Act 1999, which requires that such data is only used for the purpose of carrying out functions of the ABS. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ABR's core operational requirements.

Legislative requirements to ensure privacy and secrecy of these data have been followed. In accordance with the Census and Statistics Act 1905, results have been confidentialised to ensure they are not likely to enable identification of a particular person or organisation. All personal information is handled in accordance with the Australian Privacy Principles contained in the Privacy Act 1988.

The LEED includes all sources of income, regardless of whether the income provider resides within Australia's economic territory.

The LEED includes data for all persons who either submitted an individual tax return (ITR) or individuals who had a payment summary issued by an employer and then remitted to the ATO. Employees who did not submit a tax return and have not provided their Tax File Number to their employer will not appear in the LEED. Owner managers of unincorporated enterprises (OMUEs) who did not submit an ITR are also excluded.

The ABS receives tax data from the ATO approximately 16 months after the end of the financial year. These data then require processing time to construct the LEED, and the other main data source, the Business Longitudinal Analysis Data Environment (BLADE) to produce a coherent and clean persons dataset. These factors contribute to the longer time period between the end of the reference period and the release of statistics from the LEED than other ABS economic statistics.

## **The person file**

The LEED consists of three cross-sectional files, the person file is used to build the statistics presented in this publication. The other files in the LEED are a jobs file and an employer file.

Each person file contains data for all persons who either submitted an ITR or who were identifiable on a payment summary in the reference year. Each record includes de-identified demographic and geographic data, and aggregate income information.

Employed persons may be either employees (including owner manager of incorporated enterprises (OMIEs), OMUEs, or both.

Employees are identified by the presence of aggregate employee income and at least one linked employee job.

Employees who have not submitted an ITR but who have provided their Tax File Number to their employer are imputed from Pay As You Go payment summary data.

OMUEs are identified by the presence of any of the own unincorporated business income types and a linked OMUE job.

Tax lodgers who are not employees or owner managers are included on the person file to support statistical analysis that requires a more complete view of the tax lodger population.

This release forms part of the Australian Bureau of Statistics' ongoing program to increase the range of regional statistics available, particularly through the use of administrative information collected by other government agencies.

## **Personal income in Australia: Guide to data download tables**

The following table outlines the content of each download table from Personal Income in Australia.

Table Number	Table Name	Statistics	Reference period and variables
Table 1	Total Income	Earners	2011-12 to 2017-18
		Median age of earners (years)	Australia
		Sum (\$)	State and Territory
		Median (\$)	Greater Capital City Statistical Area
		Mean (\$)	Statistical Area level 4
Table 2a	Total Income Distribution 2011-12	Earners	Statistical Area level 3
		Median age of earners (years)	Statistical Area level 2
		Sum (\$)	Local Government Area
		Median (\$)	
		Mean (\$)	
Table 2b	Total Income Distribution 2012-13	Earners	2011-12 to 2017-18
Table 2c	Total Income Distribution 2013-14	Median age of earners (years)	Australia
Table 2d	Total Income Distribution 2014-15	Sum (\$)	State and Territory
Table 2e	Total Income Distribution 2015-16	Median (\$)	Greater Capital City Statistical Area
Table 2f	Total Income Distribution 2016-17	Mean (\$)	Statistical Area level 4
Table 2g	Total Income Distribution 2017-18	Percentile ratios (ratio)	Statistical Area level 3
		Gini coefficient	Statistical Area level 2
		Income share (%)	Local Government Area
		Quartiles (%)	
Table 3	Employee Income	Earners	2011-12 to 2017-18
		Median age of earners (years)	Australia
		Sum (\$)	State and Territory
		Median (\$)	Greater Capital City Statistical Area
		Mean (\$)	Statistical Area level 4
Table 4	Employee Income by Age and Sex	Main source of income (% of earners)	Statistical Area level 3
			Statistical Area level 2
			Local Government Area
Table 5	Investment Income	Earners	2011-12 to 2017-18
		Median age of earners (years)	Age group by Sex
		Sum (\$)	Australia
		Median (\$)	State and Territory
		Mean (\$)	Greater Capital City Statistical Area
Table 6	Own Unincorporated Business Income	Main source of income (% of earners)	Statistical Area level 4
			Statistical Area level 3
			Statistical Area level 2
			Local Government Area
Tables 7	Superannuation Income	Earners	2011-12 to 2017-18
		Median age of earners (years)	Australia
		Sum (\$)	State and Territory
		Median (\$)	Greater Capital City Statistical Area
		Mean (\$)	Statistical Area level 4
		Main source of income (% of earners)	Statistical Area level 3
			Statistical Area level 2
			Local Government Area

## ABS labour statistics: a broad range of information

Labour statistics are some of Australia's most important economic and social statistics. Put

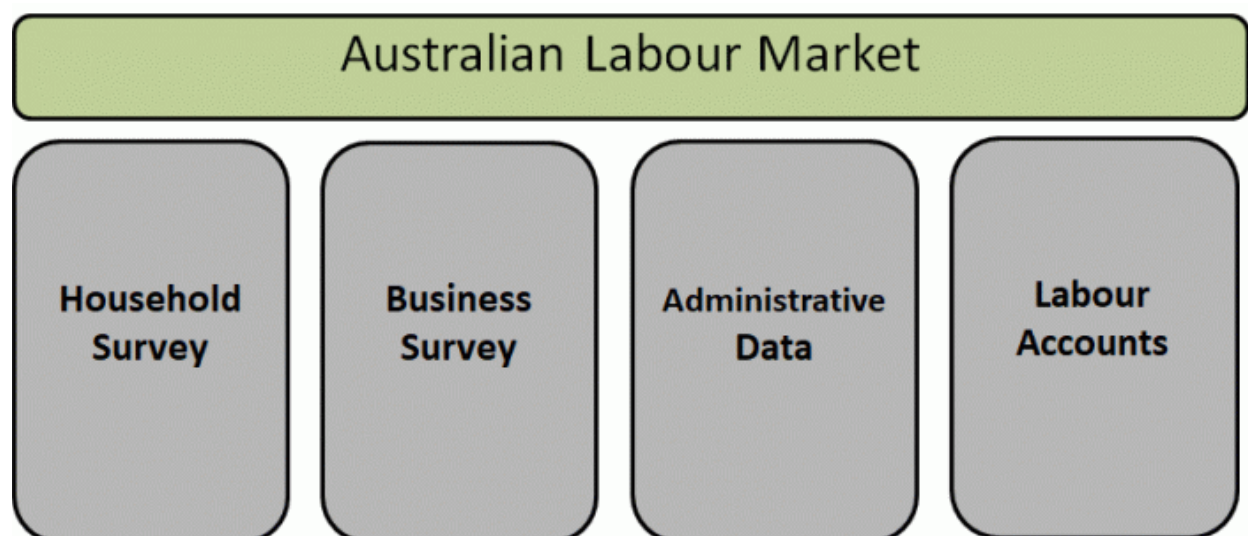
simply, they provide information about people and their participation in the labour market, their success in finding employment, their earnings and other benefits, their type of work, their working hours and conditions.

Given the importance of high quality information on the Australian labour market, the ABS produces a broad range of labour statistics, drawn from a wide range of different sources. Some of these sources are very well known, such as the monthly Labour Force Survey, but others are less well known – particularly new collections like the annual Jobs in Australia; the quarterly Labour Account; and the fortnightly Weekly Payroll Jobs and Wages in Australia.

A simple way of visualising this is to consider that ABS labour statistics are drawn from four key “pillars” of data, each of which is a bit different, but which provide complementary insights into the labour market.

Each of these pillars – the two traditional sources of household and business surveys, and the two more recent pillars of administrative data based statistics and Labour Account - provides important and unique insights to enable Australians to better understand their labour market.

**Figure 1. The four pillars of ABS labour statistics**



### **Household surveys**

A household survey approaches individual households to complete questions about their individual, family or household circumstances.

The key household survey that provides vital information about Australia’s labour market is the Labour Force Survey, and its related supplementary surveys.

### **Business surveys**

Business surveys collect a broad range of information from businesses, including their performance, financial position or about jobs and employees.

Key business surveys with a labour market focus include Job Vacancies, Employee Earnings and Hours, Average Weekly Earnings and the Wage Price Index.

## **Administrative data**

Administrative data refers to information maintained by governments and other entities that is made available to the ABS for statistical purposes. It includes data used for registrations, transactions and record keeping, usually during the delivery of a service.

The ABS releases employment statistics from the Linked Employer Employee Dataset (LEED), using Australian Tax Office information and ABS data. As a result, the LEED includes more than 120 million tax records over seven consecutive years between 2011-12 and 2017-18, and provides information for Australia, states and territories, and over 2,200 different regions based on a person's usual residence.

Since April 2020, the ABS commenced releasing the fortnightly Weekly Payroll Jobs and Wages in Australia, using payroll data from businesses with Single Touch Payroll (STP) enabled payroll and accounting software provided to the Australian Taxation Office. These estimates provide near real-time information on weekly changes in the number of payroll jobs and total wages for Australia, states and territories, and Statistical Areas Level 4 and Level 3, also based on a person's usual residence.

## **Labour account**

The Labour Account brings together data from separate administrative, business, and household sources, adjusting and confronting the various sources until a coherent picture of the labour market is established. It provides data on the number of employed persons, the number of jobs, hours worked and income earned for each industry. It provides the best labour market estimates for the 19 industry divisions each quarter and 86 industries annually.

## **Which data source should you be using?**

Often there is only a single statistical data source on the ABS website that will include the information that you are after. However, for many labour market topics it is often the case that the ABS produces multiple statistics, each drawn from a different data source to enable different types of analysis. They provide important, complementary economic and social insights into the labour market, which is large, complex and dynamic.

It is therefore important to be guided by what you are looking to understand about the



labour market. Is it to understand a topic where:

- Demographic characteristics are important or it may related to an activity outside of employment? Household surveys are often useful for this.
- Specific employer or payroll information is important? Business surveys are often useful for this.
- Detailed sub-population or geographic information is important? This is usually best sourced from administrative data, or the five-yearly Census.
- A comprehensive 'best estimate' of key labour market indicators (based on reconciled information from all of the available data sources) is important? The Labour Account is designed to provide this.

For example, in seeking to understand how many people are employed in jobs in Australia, you could use statistics from:

- Monthly Labour Force – which provides a timely indicator on changes in employment, unemployment and underemployment, including analysis by personal characteristics such as sex, age, occupation and employment status.
- The quarterly Labour Account – which is the best source of headline information on employment by industry. It provides an estimate of the number of jobs, hours worked, and associated labour income.
- The annual Jobs in Australia – which provides granular information on all the job relationship for more than 2,200 different regions across Australia. This rich dataset is based on more than 100 million individual records which allow for micro-data analysis of the Australian labour market.

Another common example is seeking to understand changes in wages over time, where you could use statistics from:

- Quarterly Wage Price Index - which measures changes in the price of labour in the Australian labour market. In a similar manner to the CPI, the WPI follows price changes in a fixed "basket" of jobs and is therefore not affected by changes in quality and quantity of work.
- The twice yearly Average Weekly Earnings - which provides data on average wages by industry, which provides insights into compositional changes in earnings over time.
- The two yearly Employee Earnings and Hours - which provides detailed data on methods of setting pay, hours paid for and detailed distributional earnings information.
- The annual Characteristics of Employment – which provides earnings by detailed socio-demographic and other characteristics.
- The quarterly Compensation of Employees measure in the National Accounts and quarterly measure of labour income in the Labour Account – which provide aggregate earnings measures.

If the purpose is to monitor short- to medium- term changes in the job market, you could

use statistics from:

- The fortnightly Weekly Payroll Jobs and Wages in Australia - which provides timely, close to real-time estimates of weekly changes in jobs and wages. It contains data by region, industry, selected person attributes, and size of the employer.

## Labour data sources

Below is a list of some of the key labour statistical releases, organised into the pillars.

### Household surveys

[Labour Force, Australia - Monthly \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release)

[Labour Force, Australia, Detailed – Monthly \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release)

[Labour Force, Australia, Detailed, Quarterly \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed-quarterly/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed-quarterly/latest-release)

[Characteristics of Employment, Australia - Annually \(https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/characteristics-employment-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/characteristics-employment-australia/latest-release)

[Participation, Job Search and Mobility, Australia – Annually \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/participation-job-search-and-mobility-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/participation-job-search-and-mobility-australia/latest-release)

[Education and Work, Australia - Annually \(https://www.abs.gov.au/statistics/people/education/education-and-work-australia/latest-release\)](https://www.abs.gov.au/statistics/people/education/education-and-work-australia/latest-release)

[Characteristics of Recent Migrants, Australia - 4 yearly \(https://www.abs.gov.au/statistics/people/people-and-communities/characteristics-recent-migrants/latest-release\)](https://www.abs.gov.au/statistics/people/people-and-communities/characteristics-recent-migrants/latest-release)

[Barriers and Incentives to Labour Force Participation, Australia – 2 yearly \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/barriers-and-incentives-labour-force-participation-australia/latest-release)

[Retirement and Retirement Intentions, Australia – 2 yearly \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release)

### Business surveys

[Job Vacancies, Australia - Quarterly \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/job-vacancies-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/job-vacancies-australia/latest-release)

[Industrial Disputes, Australia - Quarterly \(https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/industrial-disputes-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/industrial-disputes-australia/latest-release)

[Average Weekly Earnings – 6 monthly \(https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release)

[Employee Earnings and Hours, Australia – 2 yearly \(https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/employee-earnings-and-hours-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/employee-earnings-and-hours-australia/latest-release)

[Wage Price Index, Australia - Quarterly \(https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release\)](https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release)

[Employment and Earnings, Public Sector, Australia - Annually \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/employment-and-earnings-public-sector-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/employment-and-earnings-public-sector-australia/latest-release)

[Australian Industry - Annually \(https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/latest-release\)](https://www.abs.gov.au/statistics/industry/industry-overview/australian-industry/latest-release)

[Labour Costs, Australia – 5 yearly \(https://www.abs.gov.au/statistics/economy/finance/labour-costs-australia/latest-release\)](https://www.abs.gov.au/statistics/economy/finance/labour-costs-australia/latest-release)

## Administrative data

[Weekly Payroll Jobs and Wages in Australia - Fortnightly \(https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/weekly-payroll-jobs-and-wages-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/weekly-payroll-jobs-and-wages-australia/latest-release)

[Jobs in Australia - Annually \(https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/jobs-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/jobs-australia/latest-release)

[Personal Income in Australia - Annually \(https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/personal-income-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/personal-income-australia/latest-release)

## Labour account

[Labour Account Australia - Quarterly \(https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-account-australia/latest-release\)](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-account-australia/latest-release)

The ABS continues to strengthen the suite of labour market statistics, to ensure that Australia can effectively understand how its labour market, economy and society are changing over time and make informed decisions.

## Glossary

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### Show all

#### Age

Age of person as at 30 June of the reference year.

#### Annuities

Annuities are guaranteed regular and recurring receipts, generally from an insurance company, the right to which was purchased with a lump sum or regular contributions at

some point in the past. Annuities are included in Superannuation income.

## **Assets**

An entity of a financial or non-financial nature, owned by the household or its members, and from which economic benefits may be derived by holding or use over a period of time.

## **Australian Statistical Geography Standard (ASGS)**

The ASGS provides a common framework of statistical geography used by the ABS to enable the publication of statistics that are comparable and spatially integrated. For further information refer to [Australian Statistical Geography Standard \(ASGS\): Volume 1 - Main Structure and Greater Capital City Statistical Areas \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/871A7FF33DF471FBCA257801000DCD5F?opendocument\)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/871A7FF33DF471FBCA257801000DCD5F?opendocument).

## **Disposable income**

Gross income less income tax, the Medicare levy and the Medicare levy surcharge i.e. remaining income after taxes are deducted, which is available to support consumption and/or saving. Disposable income is sometimes referred to as net income.

## **Dividends**

Dividends may be the main source of income for people who run their own incorporated business. They can be:

- 'franked' which are shares of company profit paid or credited by an Australian resident public company from profits on which Australian company tax has been paid, or
- 'unfranked' which are those shares of company profit paid by an Australian resident company from profits on which Australian company tax has not been paid.

## **Earners**

Persons (including children) who receive income (either positive or negative) from an income type.

## **Employee**

Any person who works for a private or public sector employer and receives pay in the reference period in the form of wages or salaries, a commission while also receiving a retainer, tips, piece rates or payments in kind. In this publication, persons who operated their own incorporated enterprises are also included as employees.

## **Employee income**

An employee's total remuneration, whether monetary or in kind, received as a return to

labour from an employer or from a person's own incorporated business. It comprises wages and salaries, bonuses, amounts salary sacrificed, non-cash benefits such as the use of motor vehicles and subsidised housing (where valued over a certain threshold, see Explanatory Notes for more information), and termination payments.

### **Financial assets**

An asset whose value arises not from its physical existence (as would a building, piece of land, or capital equipment) but from a contractual relationship. Financial assets are mostly financial claims (with the exception of shares and value of own unincorporated business). Financial claims entitle the owner to receive a payment, or a series of payments, from an institutional unit to which the owner has provided funds. Examples include accounts held with financial institutions (including offset accounts), ownership of an incorporated business, shares, debentures and bonds, trusts, superannuation funds, and loans to other persons.

### **Gini coefficient**

A summary measure of inequality of income distribution. For more information see the Explanatory Notes.

### **Government pensions and allowances**

Income support payments from government to persons under social security and related government programs. Included are pensions and allowances received by aged, disabled, unemployed and sick persons, families and children, veterans or their survivors, and study allowances for students.

### **Gross income**

Income from all sources, whether monetary or in kind, before income tax, the Medicare levy, the Medicare levy surcharge, and the temporary budget repair levy are deducted.

### **Greater Capital City Statistical Area**

Greater capital city statistical areas (GCCSAs) are designed to represent the functional extent of each of the eight State and Territory capital cities. They include the people who regularly socialise, shop or work within the city, but live in the small towns and rural areas surrounding the city. GCCSAs are not bound by a minimum population size criterion. GCCSAs are built from SA4s.

### **Income**

See: Personal income.

## **Income type**

Also described as income source.

This describes the income based on the source from which it is received. The income types are as follows: total income, employee income, investment income, own unincorporated business, superannuation, other.

## **Income share**

Income share is the percentage of total income held by the top 1%, 5% and 10% of all earners in a region. The aggregate income of the units in each percentile is divided by the overall aggregate income of the entire population to derive income shares.

## **Individual Tax Return (ITR)**

The annual tax return submitted by individuals to the Australian Taxation Office (ATO).

## **Investment income**

Income received as a result of ownership of assets. It comprises returns from financial assets (interest, dividends), and from non-financial assets (rent).

## **Linked Employer-Employee Dataset (LEED)**

The cross-sectional dataset from which the statistics in this release are derived.

## **Local Government Area (LGA)**

These areas are the spatial units which represent the geographical areas of incorporated local government councils. LGAs include sub categories such as Cities (C), NSW Local Government Areas (A), Boroughs (B), Rural Cities (RC), Towns (T), Shires (S), District Councils (DC), Municipalities (M), SA Municipal Councils (M), SA Regional Councils (RegC) and Qld Regional Councils (R). Data are presented for LGA boundaries at 2018.

## **Main source of income**

The income source from which a person derives most of their (positive) income. For a stated income type, this measure reflects the proportion of all persons in a region for whom the income type is their main source of income. For more information see the Explanatory Notes.

## **Medicare levy**

The Medicare levy is a specific tax based on individual income.

## **Medicare levy surcharge**

The Medicare levy surcharge is a levy, or an additional tax, on some Australian taxpayers.

### **Non-lodger**

A persons who did not lodge an Individual Tax Return (ITR) but who received income from at least one source. Non-lodger employees are identified in the Linked Employer-Employee Dataset (LEED) and accounted for in this publication.

### **Negative income**

Income may be negative when a loss accrues to an individual as an owner or partner in unincorporated businesses, rental properties or other investment income. Losses occur when operating expenses and depreciation are greater than gross receipts.

### **Other income**

Income other than employee income, own unincorporated business income, investment income and superannuation income. This includes other current receipts from sources such as child support, royalties, workers' compensation and scholarships.

### **Own unincorporated business income**

The profit/loss that accrues to persons as owners of, or partners in, unincorporated businesses. Profit/loss consists of the value of gross output of the business after the deduction of operating expenses (including depreciation). Losses occur when operating expenses are greater than gross receipts and are treated as negative income.

### **Personal Income Tax (PIT)**

An aggregate term for tax paid by individuals. PIT data includes information collected from Individual Tax Returns (ITR) and PAYG payment summaries, as well as information on the Australian Taxation Office's Client Register.

### **Pay As You Go (PAYG) payment summary**

The annual summary provided by an employer to the Australian Taxation Office with respect to an employee, as part of the Pay As You Go taxation system. It records job level information reported by employers about the payments made to an employee. This is the primary component of the Linked Employer-Employee Dataset (LEED) job file and is used to identify, and as a source of information about, non-lodgers.

### **Percentiles**

Percentiles are a measure of the distribution of a variable. When all persons in the population are ranked from the lowest to the highest on the basis of the variable (such as total income), they can then be divided into 100 equal sized groups. The highest value in

each group is reported as  $P_x$ , where  $x$  is the percentile number. For example, the highest value of total income in the twentieth percentile is denoted  $P_{20}$ . The median, or the top of the 50th percentile, is denoted  $P_{50}$ .

### **Percentile ratios**

Percentile ratios summarise the relative distance between two points in a distribution. They are expressed as the value of the quotient (the left percentile divided by the right percentile). For example a  $P_{80}/P_{20}$  ratio of 2.3 means that persons in the 80th percentile have 2.3 times the income of persons in the 20th percentile.

Ratios near the extremes of the distribution (e.g.  $P_{80}/P_{20}$ ) illustrate the full spread of the income distribution, while those near only one extreme (e.g.  $P_{80}/P_{50}$ ) compare one ends of the income distribution with the midpoint.

### **Personal income**

Personal income consists of all annual receipts that are received by an individual. Personal income refers specifically to income received by persons, not businesses. Personal income is categorised into several income types. For more information see the Explanatory Notes.

### **Positively skewed income distribution**

The distribution of income tends to be asymmetrical, with a small number of people having relatively high incomes and a larger number of people having relatively lower incomes. The greater the asymmetry, the greater the difference there will be between the mean and the median, and the more positively skewed the income distribution is said to be.

### **Quartiles**

Groupings that result from ranking all people in the population in ascending order according to some characteristic such as their personal income and then dividing the population into four equal groups, each comprising 25% of the estimated population.

### **Rest of state**

Under the Australian Statistical Geography Standard (ASGS), Rest of State is any area not defined as being part of the Greater Capital City Statistical Areas (GCCSAs). In the case of Australian Capital Territory, there is no Rest of State balance.

### **Sex**

The self reported sex of a person as recorded by the Australian Tax Office. Binary coding to female and not female is undertaken for privacy and confidentiality purposes.

### **Shares**



A share is a contract between the issuing company and the owner of the share which gives the latter an interest in the management of the corporation and the right to participate in profits. The "value of shares" excludes the value of shares held by individuals in their own incorporated business. Such shares are included in "value of own incorporated business".

## **Statistical area level 2**

The smallest geographical region used in this release. Statistical area level 2 (SA2s) regions aim to represent a community that interacts together socially and economically. They are generally designed to be within the population range 3,000 to 25,000 persons, and on average have a population of approximately 10,000 persons.

## **Statistical area level 3**

Geographical areas built from whole SA2s, which are designed for statistical output purposes and to provide a regional breakdown of Australia. Statistical area level 3 (SA3s) regions create a standard framework for the analysis of ABS data at the regional level that have similar regional characteristics, administrative boundaries or labour markets. SA3s generally have populations between 30,000 and 130,000 persons.

## **Statistical area level 4**

Geographical areas built from whole SA3s, Statistical area level 4 (SA4) regions are specifically designed to reflect labour markets within each state and territory within population limits. In regional areas, SA4s tend to have lower populations (100,000 to 300,000), while in metropolitan areas, SA4s tend to have larger populations (300,000 to 500,000).

## **Superannuation income**

Also described as Superannuation and annuities income.

Superannuation is a long-term savings arrangement which operates primarily to provide income for retirement.

Superannuation income includes income from annuities and private pensions such as allocated pensions.

## **Temporary budget repair levy**

In 2014-15, the government introduced a temporary budget repair levy. Individual taxpayers with a taxable income of more than \$180,000 per year have additional tax payable.

## **Trusts**

Any type of managed fund which involves the pooling of investors' money in order for a

trustee or professional manager to administer that fund. Examples include; listed and unlisted public unit trusts, cash management trusts, property trusts and family trusts used only for investment purposes.

## **Unincorporated business**

A business in which the owner(s) and the business are the same legal entity, so that, for example, the owner(s) are personally liable for any business debts that are incurred. The business may be registered (in their own state) as a sole trader, partnership or firm; however they are not registered with the Australian Securities and Investments Commission and are not legally a company.

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## **Quality declaration**

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### **Institutional environment**

For information on the institutional environment of the Australian Bureau of Statistics (ABS), including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see [ABS Institutional Environment \(https://www.abs.gov.au/websitedbs/d3310114.nsf/4a256353001af3ed4b2562bb00121564/10ca14cb967e5b83ca2573ae00197b65!OpenDocument\)](https://www.abs.gov.au/websitedbs/d3310114.nsf/4a256353001af3ed4b2562bb00121564/10ca14cb967e5b83ca2573ae00197b65!OpenDocument).

Data in this release are sourced from the Linked Employer Employee Dataset (LEED).

The LEED includes tax data supplied by the Australian Tax Office (ATO) to the ABS under the Taxation Administration Act 1953, which requires that such data is only used for the purpose of administering the Census and Statistics Act 1905. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ATO's core operational requirements.

The LEED also includes Australian Business Register (ABR) data supplied by the Registrar to the ABS under A New Tax System (Australian Business Number) Act 1999, which requires that such data is only used for the purpose of carrying out functions of the ABS. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ABR's core operational requirements.

Legislative requirements of information have been followed to ensure privacy and secrecy. In accordance with the Census and Statistics Act 1905, results have been confidentialised to ensure they are not likely to enable identification of a particular person or organisation.

All personal information is handled in accordance with the Australian Privacy Principles contained in the Privacy Act 1988.

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## Relevance

This release produces personal income data at regional (small area) level to provide valuable information about regional economies and the income of individuals resident in regions. This annual regional level income data is not available from existing ABS censuses and surveys.

The scope of these data include individuals who submitted an individual tax return to the ATO, individuals who had a PAYG payment summary issued by an employer, and their employers.

The main statistics released from ATO personal income tax data are the number of persons and the amount of income from Wages and salaries and other employee related payments (Employee income), Own unincorporated business, Investment, Superannuation, and Total income. Other income measures such as mean and median income, and income percentile indicators (80th, 50th for example) are also produced.

Data for source of income categories are aggregated from line items in the individual income tax return, and are selected to conform as closely as possible to [ABS Income Standards \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1287.0\)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1287.0).

These statistical releases are presented at the following levels of geography of the Australian Statistical Geography Standard (ASGS): Statistical Area Level 2 (SA2); Statistical Area Level 3 (SA3); Statistical Area Level 4 (SA4); Greater Capital City Statistical Area (GCCSA); Local Government Area; and state/territory, Australia.

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## Timeliness

The ABS receives tax data from the ATO approximately 16 months after the end of the financial year. These data then require processing time to construct Business Longitudinal Analysis Data Environment (BLADE) and to produce a coherent and clean persons dataset. These factors contribute to the delay between the end of the reference period and the release of statistics from the LEED.

Because taxation data may be submitted to the ATO after the ITR cut-off date, it may not be available at the time the ATO provides data to the ABS and is only added in future provisions. As such, annual data in the LEED can become more complete over time. This is estimated to have a slightly greater impact on the self-employed population than on the

larger employee and employer populations, and a negligible impact overall.

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## Accuracy

Personal Income in Australia is subject to the following sources of error:

- Conceptual misalignment. The Australian tax system is purpose-built and complex, and in some cases it is difficult to determine how a particular income tax item should be used to describe income standards, and in some cases the item can be a partial conceptual match. While all care is taken, some income items are subject to this type of validity error. Coherence with other sources indicates that this has a low impact on aggregate series.
- Measurement error. This is likely to be present in both person and business information used. Most measurement error is unable to be determined or corrected; however, coherence with other similar statistics demonstrates that this has a low impact on aggregate series.
- Incomplete information. Sometimes, Individual Tax Returns are not lodged, or not all items (e.g. occupation) are completed. The ABS advises caution when interpreting data subject to high rates of missing information.

The data in this release have been perturbed to ensure confidentiality. This has a negligible impact on accuracy.

Personal Income in Australia has an open revisions policy.

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## Coherence

There are differences between Personal Income in Australia statistics and similar statistics produced by the ABS. When compared to other ABS sources, the number of earners, and median employment income in this release may differ due to:

- differences in the concepts, scope and methodology used in the LEED and those used in household and business surveys.
- the LEED containing a combination of administrative data collected for taxation purposes from both individuals and businesses, whereas other ABS data sources are compiled for the explicit purpose of producing statistics.
- unreported cash in hand payments, which are excluded from the LEED but may be included in household and business surveys.
- the LEED including information relating to the whole financial year, rather than a particular point in time.

Some changes to personal income derivations have been made since the release of similar

statistics in [Jobs in Australia \(cat. no. 6160.0\)](https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0) (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/6160.0>). This will result in minor differences between the two releases. Differences in underlying data treatments may also have a minor impact.

Personal income tax statistics can be impacted by changes to tax legislation. For example in 2012-13, the tax reporting threshold rose from \$6,000 in the previous financial year to \$18,200. The ATO outlines any such changes in their annual release of Taxation Statistics on the ATO website.

Financial Year	Tax Free Threshold
2011-12	\$6,000
2012-13	\$18,200
2013-14	\$18,200
2014-15	\$18,200
2015-16	\$18,200
2016-17	\$18,200
2017-18	\$18,200

The predicted effect of the tax free threshold change is that less people would be required to lodge tax returns, however the data shows that this threshold change had little effect on returns lodged. One theory is that many individuals may fall under the tax free threshold but may have pay periods where they have paid tax - meaning a return is required to be lodged regardless.

Financial Year	Returns lodged
2011-12	13,450,282
2012-13	13,361,080
2013-14	13,370,182
2014-15	13,213,814
2015-16	13,508,101
2016-17	13,870,745
2017-18	14,288,292

Data for income categories described above (see Relevance) are aggregated from line items in the individual income tax return, and are selected to conform as closely as possible to [ABS Income Standards \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1287.0\)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/1287.0).

Other ABS sources of income data are:

- the Survey of Income and Housing;
- the Survey of Average Weekly Earnings;
- the Census of Population and Housing; and
- the Australian System of National Accounts.

The ABS Survey of Income and Housing (SIH) also collects information on sources of income, the amounts received and related household characteristics. Some person-level details, for those aged 15 years and over and resident in private dwellings across Australia can also be derived. Data collected from SIH can generally be compared with ATO personal income tax data published in Personal Income in Australia at the Australia level. A few major points of difference should be noted however.

SIH has a wider coverage of all income earners; it will also capture details for people receiving pensions, or low incomes, or receiving tax exempt superannuation income, who may not be required to lodge tax forms. From another perspective, smaller area estimates are not released from SIH. Being sample survey based it cannot support the production of representative estimates for smaller geographies (such as Statistical Area Level 2, or Local Government Areas). Nonetheless, a comparison of SIH with ATO data for Australia can provide a means of assessing the shape of data movements over time; and generally indicate whether counts are of an expected magnitude and whether the distribution of income across the various sources is similar.

The Survey of Average Weekly Earnings (AWE) is a six monthly sample survey of employing businesses. It collects data on average weekly earnings for full-time adult employee jobs, average weekly total earnings for all employee jobs, and average weekly ordinary time earnings for full-time adult employee jobs. Being sample survey based, AWE cannot support the release of small area (sub state) estimates.

While the ATO mean income levels for Employees can be compared at the Australia level with the 'average weekly total earnings for all employees jobs' from AWE, they will differ partly due to the tax free thresholds applied; some low income earners captured in AWE will be missing from the tax data. Because PliA includes all persons who worked during the year, persons who worked only part of the year (and thus have lower employee incomes) are included and will have a negative effect of the mean, relative to AWE.

Income data is also available every five years in the Census of Population and Housing. The Census provides income details for households, families and individuals. Data are available for a wide range of small areas.

The Australian System of National Accounts (ASNA) brings together Employee income estimates from multiple sources, including a range of quarterly and annual business surveys. The data are also updated iteratively whereas the SIH and ATO data are more 'point in time' snapshots. Whereas the ASNA mainly sources data from businesses and the government sector, the ATO and SIH data are primarily sourced from individuals; this methodological difference contributes to some variation in estimates across these collections. A comparison of income data from SIH and ASNA sources, and using selected ATO elements, can be found in Survey of Income and Housing, User Guide, 2015-16.

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## Interpretability

All monetary values are presented as gross pre-tax dollars, as far as possible. This means they reflect income before deductions and losses, and before any taxation or levies (e.g. the Medicare levy or the temporary budget repair levy) are applied.

The amounts shown are nominal, they have not been adjusted for inflation.

Caution should be taken when interpreting data for areas with small populations, particularly less than \$1,000 earners. These areas are more susceptible to fluctuations over the time series than regions with larger populations.

ABS releases of personal income tax data provide detailed Explanatory Notes which contain information on scope and coverage, confidentiality, definitional changes, the geographical presentation of the data, classifications and other technical aspects associated with these

statistics.

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## Accessibility

These data will be available in the following formats:

- Personal Income in Australia (cat. no. 6524.0.55.002) - with a summary main features, downloadable Excel spreadsheets (data cubes) and detailed Explanatory Notes.
- [Data by Region \(http://stat.abs.gov.au/itt/r.jsp?databyregion\)](http://stat.abs.gov.au/itt/r.jsp?databyregion) - which contains regional source of income estimates and Employee income earners data (cross referenced by age, sex, occupation) as downloadable data cubes. Detailed Explanatory Notes are also provided. Data regions can be selected from a map or by using other search functions provided.

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## Abbreviations

[Show all](#)



\$	dollars
'000	thousand
A	Area
ABR	Australian Business Register
ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AC	Aboriginal Council
ASIC	Australian Securities and Investments Commission
ASGS	Australian Statistical Geography Standard
ATO	Australian Taxation Office
Aust.	Australia
B	Borough
b	billion
BLADE	Business Longitudinal Analysis Data Environment
cat. no.	catalogue number
C	City
DC	District Council
EoPI	Estimates of Personal Income
excl.	excludes or excluding
Govt	Government
GCCSA	Greater Capital City Statistical Area
ITR	Individual Tax Return
LGA	Local Government Area
LEED	Linked Employer-Employee Dataset
M	Municipality/Municipal Council
m	million
na	not available
np.	not for publication
no.	number
NSW	New South Wales
NT	Northern Territory
OUB	Own Unincorporated Business
PIT	Personal Income Tax
PAYG	Pay As You Go
Qld	Queensland
R	Regional Councils
RC	Rural City

S	Shires
SA	South Australia
S/T	State or territory
SA2	Statistical Area Level 2
SA3	Statistical Area Level 3
SA4	Statistical Area Level 4
SIH	Survey of Income and Housing
STP	Single Touch Payroll
T	Town
Tas.	Tasmania
Unincorp.	Unincorporated
Vic.	Victoria
WA	Western Australia
WPJW	Weekly Payroll Jobs and Wages in Australia